GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:2244
ANSWERED ON:06.08.2001
CARTELISATION IN PROCUREMENT
SHEESH RAM SINGH RAVI

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned `It`s cartel-games time again at telecom ministry` appearing in the Indian Express dated August 8, 2000;

(b) if so, the facts of the matter reported therein;

(c) whether as per the decision of the Central Vigilance Commission, negotiations can be held only with the lowest bidder in tenders but in his ministry, telecom commission takes decisions which are reversed later on;

(d) if so, the reasons therefor;

(e) whether there is any proposal to enquire into the cartelisation and to bring to book the guilty officials; and

(f) if so, the steps the Government propose to take to nab the kickbackers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) & (b): News Item on the subject appeared on August 3, 2000. The facts of the matter are enclosed in the Annexure.

(c) Yes, Sir. The negotiation in accordance with CVC guidelines are held only with L-I bidder.

(d) In view of (c) above, question does not arise.

(e) & (f): In view of reply of (a) & (b) above, the question does not arise.

ANNEXURE

Facts of The Matter

(I) Telecom Switching Equipment:

The 20.45 lakh lines tender for New Technology Exchanges was opened on 18.8.2000. As per terms and conditions of the tender, the orders were to be placed on to 1st four eligible bidders out of six for the tendered quantity as per the general practice of awarding the contract to 2/3rd bidders to avoid cartelisation.

The case was reviewed in the Telecom Commission on 31st May, 2000 prior to the opening of the tender whereby it was decided to award the contract to five bidders instead of four due to the difficulty in expansion of existing exchanges and handling multiple technologies in the same place .

The case was again reviewed on 16.8.2000 whereby it was decided to restrict the eligible bidders to only four out of six to avoid even the remotest chances of cartelisation.

(II) Jelly Filled Cable

Department of Telecommunications had floated a tender for procurement of 403 LCKM of PIJFU/G Cable against the requirement of the year 2000-01 which was opened on 30.3.2000. There were total 36 sizes of Cables.

M/S Sterlite Industries (I) Ltd. had quoted a price of Rs. 1,64,127.33 /KM for 200/ 0.5 mm (A) size of cable that was significantly lower than that of the next lower quotation (Rs. 281514.04/KM) and then wanted to modify its bid with a plea that it is a typographical error.

However, the request of the firm was rejected by the Department, as it is against the tender terms and conditions.

Department has approved the same quoted price of M/S Sterlite and offered to all the eligible venders.All the vendors including M/S Sterlite have not accepted the offered price for 200/0.5 mm (A) cable size. As M/S Sterlite has not honoured its own quoted price, the Earnest Money Bank Guarantee (EMBG) of Rs. 1 crore was encashed by the Department.